

Rural Health Clinics

2020 Department Priorities

Presented by: Kevin Martin & Erin Johnson

Mar-20

Our Mission

Improving health care access and
outcomes for the **people** we serve
while demonstrating sound
stewardship of financial
resources

Meeting Setup

- Meet once every other month
- Meet at HCPF with call-in webinar
- 90 minute meetings
- Any comments?

PPS Change in Scope Process

The Department needs to establish a change in scope PPS rate adjustment process for RHCs

Options:

- Use same methodology used with FQHCs
- Create new methodology

FQHC Change in Scope Process

- FQHCs submit applications outlining their change in scope of service
- A change in the scope of services must be an addition or deletion of a service or a change to the type, intensity, or duration of services
- The PPS rates are adjusted using recent cost and visit data from the FQHC cost report
- The updated PPS rates must be 3% different from current rates

PPS Rate Setting for New RHCs

The Department needs to formalize a process for setting PPS rates for new RHCs

Options for Both Freestanding and Hospital-Based RHCs

- Set PPS rates based on the PPS rates of nearby RHCs (current Freestanding policy)
- Set PPS rates based on the first audited cost report (current Hospital-Based policy)

Current PPS Rate Setting

Freestanding RHCs

PPS rates for new Freestanding RHCs are set at an average of other Freestanding RHC PPS rates in the new RHC's RAE

Hospital-Based RHCs

PPS rates for new Hospital-Based RHCs are set once a full year of audited cost report information is available.

PPS Decisions to Make

- 1) How do we calculate PPS rates if a change in scope has occurred?
- 2) Do we want to make any changes to the current PPS rate setting methodologies?

APM Rate Setting - Freestanding RHCs

The Department needs to formalize APM rate setting processes for Freestanding RHCs

Options

- Use current process - APM rates are set based on the current Medicare UPL rates
- Create new process where APM rates are set and updated based on Medicare cost reports

APM Rate Setting - Hospital-Based RHCs

The Department needs to formalize APM rate setting processes for Hospital-Based RHCs

Options

- Use current process - APM rates are set based on the finalized Medicare cost reports and reconciled
- Create a new process where APM rates are set based on finalized Medicare cost reports without reconciliation

Interim Rate Setting - Hospital-Based RHCs

The Department needs to formalize the interim rate setting process for Hospital-Based RHCs

Options

- Use current process - interim rates are set based on sister clinic rates or Medicare interim rates. Cost report rates are not used until the first cost report is finalized
- Create a new process where interim rates are updated more frequently with more updated cost data

APM Decisions to Make

- 1) Do we want to make any changes to the current APM rate setting methodologies?

Managed Care Accuracy Audit

The Department needs to establish a Managed Care Accuracy Audit process to ensure RHCs are reimbursed at least their per visit encounter rate by MCEs

The Department strongly prefers to use the FQHC MCAA process to ensure consistency and avoid confusion

Managed Care Decisions to Make

- 1) When do we go-live with the Managed Care Accuracy Audit Report process?
- 2) What training is needed to establish a Managed Care Accuracy Audit Report process?



Questions?

Kevin Martin
Fee-for-Service Rate Manager
Kevin.Martin@state.co.us

Erin Johnson
RHC Rates Analyst
ErinK.Johnson@state.co.us

Thank You!